

Chairperson: Harold Scott

JLBC Analyst: Steve Grunig

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	7.0	7.0	7.0
Personal Services	331,800	350,900	366,700
Employee Related Expenditures	83,900	93,400	109,000
Professional and Outside Services	5,800	0	0
Travel - In State	8,700	8,600	8,600
Other Operating Expenditures	113,500	103,800	100,200
Equipment	900	0	0
AGENCY TOTAL	544,600	556,700	584,500^{1/2/}
FUND SOURCES			
General Fund	544,600	556,700	584,500
SUBTOTAL - Appropriated Funds	544,600	556,700	584,500
TOTAL - ALL SOURCES	544,600	556,700	584,500

AGENCY DESCRIPTION — The State Board of Equalization consists of 17 members. The board hears property tax appeals for Maricopa and Pima Counties. Property tax appeals in other counties continue to be heard by the respective County Boards of Equalization. Of the 17 members, the 7 gubernatorial appointments also hear appeals of centrally valued properties and equalization orders by the Department of Revenue.

	FY 2003 Actual	FY 2004 Actual	FY 2006 Approved
PERFORMANCE MEASURES			
• Average calendar days to process a property tax appeal from receipt to issuance	28	28	28
• % of rulings upheld in tax courts	100	100	100
• Customer satisfaction rating (Scale 1-8)	NA	NA	6.1

Comments: The agency did not submit information for any measure labeled as “NA.” The agency continues their perfect score of rulings upheld in tax courts. The average number of calendar days to process a property tax appeal has remained constant for several years.

Operating Budget

The budget provides \$584,500 from the General Fund for the operating budget in FY 2006. The approved amount includes an increase of \$16,700 from the General Fund in FY 2006 for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

Support Services

The approved amount includes an increase of \$11,100 from the General Fund in FY 2006 for additional staff support for board hearings in Pima County. The State Board of Equalization (SBOE) does not have any administrative support services. On average, the board

hears 6,652 appeals annually. The appeals require approximately 1,000 cumulative hours of data entry and filing time. During SBOE’s busy season, the board contracts with part-time individuals for administrative support services at \$15,000 per fiscal year.

The additional \$11,100 funding provides sufficient funding to replace the part-time work and provide support services to board hearings in Pima County. Currently, the Pima County board hears roughly 20% of SBOE’s appeal load. However, SBOE is unable to provide a physical presence in the county because of staffing constraints.

^{1/} General Appropriation Act funds are appropriated as a Lump Sum by Agency.

^{2/} The State Board of Equalization shall report to the Joint Legislative Budget Committee by October 31, 2005 with a variety of options for conversion of its existing computer system. The report shall include an assessment of the options by the Information Technology Authorization Committee. (General Appropriation Act footnote)